

Message Text

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ACTION SS-25

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FM AMEMBASSY PRAGUE
TO SECSTATE WASHDC 5243

CONFIDENTIAL PRAGUE 1102

EXDIS

FOR COUNSELOR NIMETZ FROM AMBASSADOR BYRNE

E.O. 11652: GDS
TAGS: EFIN, US, CZ
SUBJECT: STATUS OF CLAIMS/GOLD

REFS A. STATE 09200, B. PRAGUE 0483

1. I APPRECIATE THAT EVEN WITH PRESS OF CURRENT ISSUES
MAKING IT POSSIBLE FOR THE SECRETARY TO FOCUS ON GOLD/CLAIMS
ISSUE AT THIS TIME, THE DEPARTMENT HAS BEEN MOVING
AHEAD ON THIS MATTER. WE HAVE SOME COMMENTS TO OFFER ON RECENT
DEVELOPMENTS AS UNDERSTOOD FROM HERE.

2. THE PROPOSAL TO SOUND OUT THE FRENCH AND BRITISH ON THE
POSSIBILITY OF VESTING THE CZECHOSLOVAK GOLD MAKES VERY GOOD
SENSE. NOT ONLY DO WE OWE IT TO OUR FRIENDS TO CONSULT ON
ISSUES AFFECTING THEM BUT WE NEED TO ALERT THEM AND OTHERS
THAT WE TAKE THIS OPTION QUITE SERIOUSLY EVEN IF WE HAVE
RESERVATIONS ON LEGAL GROUNDS. I AM ALSO HAPPY TO LEARN THAT
JULIUS KATZ IS BRINGING HIS TALENTS TO BEAR ON THE PROBLEM.

3. I ALSO NOTE THAT OFFICIALS OF THE CZECHOSLOVAK NATIONAL
COUNCIL, THE GROUP REPRESENTING AMERICANS OF CZECHOSLOVAK
EXTRACTION, HAVE LATELY WRITTEN THE DEPARTMENT SUPPORTING
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RENEWED NEGOTIATIONS AND REMINDING US AGAIN THAT OUR NOW
ELDERLY CLAIMANTS HAVE WAITED OVER THIRTY YEARS FOR A
SETTLEMENT. WE CONTINUE TO RECEIVE MAIL HERE FROM CLAIMANTS AND THE
CONGRESS MAKING THE SAME POINT. THE SECRETARY HAS ALSO HEARD FROM
THE U.S.-CZECHOSLOVAK ECONOMIC COUNCIL. WHILE WE UNDERSTAND THE
REASONS FOR LACK OF ACTION, I BELIEVE THE DEPARTMENT WOULD
FIND IT DIFFICULT TO OFFER AN ACCEPTABLE PUBLIC EXPLANATION

FOR A CONTINUED FAILURE TO REOPEN NEGOTIATIONS IN ACCORD WITH
THE 1974 MANDATE OF THE TRADE ACT.

4. TO MY MIND, REACHING A DECISION SOON SO THAT WE CAN AT LEAST COMPLY WITH THIS MANDATE BY FORMULATING A NEW PROPOSAL TO THE CZECHOSLOVAKS IS MORE IMPORTANT THAN THE ACTUAL SUBSTANCE OF THE NEW PROPOSAL. THERE IS NO MAGIC IN THE NUMBERS I PROPOSED LAST FEBRUARY (REF USDXA OTHR THAN THEIR REASONABLENESS, THOUGH THEY SHOULD NOT BE LOWERED; NOR FOR A CREDIBLE NEGOTIATING POSTURE SHOULD THE FIGURE EXCEED THE VESTED VALUE OF THE GOLD IN OUR POSSESSION. AS A TACTICAL CONSIDERATION, IT SEEMS TO ME WE WOULD BE IN A MUCH BETTER POSITION, SHOULD WE EVENTUALLY BE REQUIRED TO VEST THE GOLD, AS WELL AS FROM THE U.S. PUBLIC AND CONGRESSIONAL PERCEPTIONS, IF WE CAN SHOW THAT WE MADE A REASONABLE PROPOSAL WHICH WAS IGNORED OR REJECTED BY THE GOC.

5. I UNDERSTAND FULLY THE MANY RAMIFICATIONS TO BE CONSIDERED AS WE PONDER OUR NEXT MOVES AND GREATLY APPRECIATE YOUR KEEPING ME INFORMED OF YOUR THINKING ON THIS MATTER, SO FUNDAMENTAL TO OUR BILATERAL RELATIONSHIP HERE.

BYRNE

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